

Licensees Set Sights on Future Under New Leadership

BY CRYSTAL MEIER

Nearly 275 people attended the 1999 Certified Angus Beef™ Annual Conference Aug. 26-28 in Minneapolis, Minn., to network, recognize leaders and witness the Certified Angus Beef (CAB) Program's transition to new leadership (see sidebar, page 149). Keynote speakers set the tone for the conference theme, "Committed to the Brand."

■ Passion for brand

"You can copy the look. You can even copy the feeling, the sound; but you can't copy the history, the passion," Tim Hoelter, vice president of international trade and regulatory affairs for the Harley-Davidson Motorcycle Co., told conference attendees.

He says passion for the brand grows when shared, so Harley-Davidson keeps passion alive through rallies, "show and tell" of emerging technology, and sleek, inviting stores.

"You've got to start at the top with commitment to your brand and your company. You also have to stay in touch with your customers," he says. Companies must also exceed customer expectations.

Since the 1980s, Harley Davidson's comeback arose from its "back to the basics" strategies. The company motivated employees, provided quality products and services, improved manufacturing technologies, established aggressive marketing and distribution patterns, changed customer perceptions, and focused on protecting its brand.

"Everything we do adds to or detracts from our brand," he says.

■ Partnering builds advertising clout

Currently, 2.5 billion cotton and cotton-related products are marketed with the seal owned by Cotton Inc. Seal licensing through partnerships with fabric manufacturers and affiliates provides additional avenues for gaining consumer awareness for cotton.

Ira Livingston, the company's senior vice president of marketing implementation, says Cotton's partnership with Proctor &



Oxford Trading Co., Boston, Mass., was recognized as the Program's first 20-year licensee. Executive Director Mick Colvin (left) presented Oxford representatives Steven Brigham, vice president; Charlie Robinson, president; and Ron Rurak, vice president, with a framed 20th-anniversary print by Frank Murphy.

Gamble alone means the seal is used on 100 million Cheer®, Ivory® and Tide® detergent packages.

"They get the advantage of the association with our trademarks, and we're getting the advantage of their advertising clout," Livingston explains.

Declining market share since the early 1900s, increasing competition in the '60s



and a minimal advertising budget led Cotton Inc. to seek strategic advertising partnerships.

In addition, targeted advertising helps Cotton Inc. to reach women ages 18-49, who purchase 80% of all textile products. The company is shifting its focus from baby boomers to the next-largest population segment, Generation Y, with 75 million people. These are children who associate with brand names.

Ira Blumenthal, founder and president of Co-Opportunities Inc., identified additional opportunities with e-commerce (electronic commerce via the Internet) and convenient food products. He says consumers online shop for brands, but when it comes to home consumption, they're looking for convenient, restaurant-quality foods. Consumption of food in the home is increasing, but it takes convenient, tasty products like *Certified Angus Beef* heat-and-serve entrées to fulfill growing demand.

■ Convenient products, category management lead retail topics

Retailer sessions at the conference identified how *Certified Angus Beef* heat-and-serve products help expand consumer meal solutions in the meat department. Blumenthal says, "The age-old question 'What's for dinner?' has become 'Who's making dinner?' and 'Where are we going for dinner?'"

Competition for the consumer food dollar is stronger than ever as more and

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more convenience stores, department stores and fast-food chains offer quick dinner solutions. He urged attendees to be innovative and to provide their customers answers to the dinner dilemma.

An additional session on category management discussed the shift from retailers buying products and commodities to marketing a category based on a cohesive plan. Rick Dawrant from Blattberg, Chaney and Associates explained category management and the benefits and challenges of implementing this process with fresh meat.

He and Russ Johnson, assistant director of the Retail Division, discussed the CAB Program's interest in helping licensed retailers implement category management for fresh meats.

■ **Charlie Brown's offers great meal, great price**

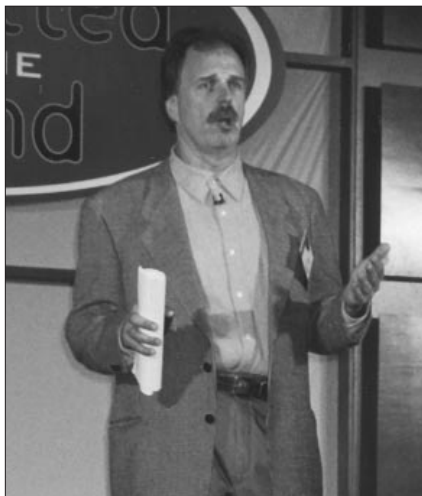
Charlie Brown's Steakhouses offer high-quality *Certified Angus Beef* entrées at a good value. "People realize the quality and keep coming back to our restaurants," Mike Mulligan, vice president of food and beverage purchasing for the 38 Charlie Brown's chain restaurants in New York and New Jersey, told conference attendees. *Certified Angus Beef* dinners priced at bare minimums of \$9.99-\$12.99/plate keep customers coming back for more and build repeat restaurant traffic.

This casual chain is entering its 10th consecutive year of continued growth in an ever-changing restaurant industry. Mulligan attributes a portion of the company's growth to its quality steakhouse image after becoming licensed in 1991. He also relies on supplier and employee partnerships to make the chain successful and boasts a turnover rate 25% lower than industry average. As for *Certified Angus Beef* product, the chain always focuses on the brand and strives to educate both staff and customers.

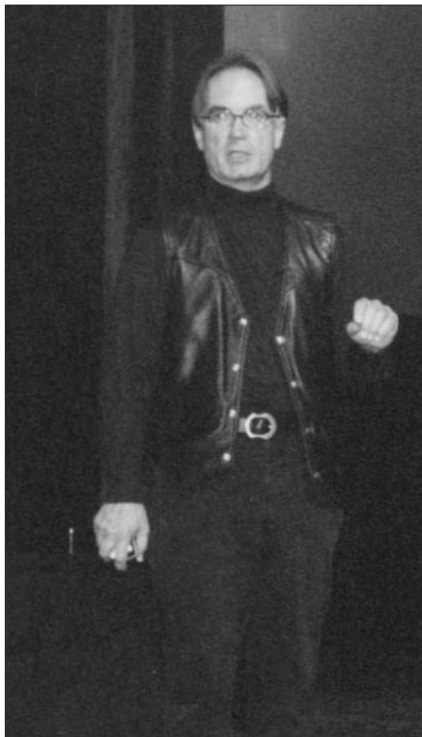
■ **Foodservice addresses industry consolidation**

Ron Paul, president of Technomic and a leading foodservice industry consultant, agreed with attendees that foodservice distribution is changing, but he offered hope to specialty distributors with niche marketing.

Four licensed distributors, who served as panel members, identified their different approaches to industry change and ensuring their companies' futures. In Washington, D.C., AM Briggs increased its focus on being

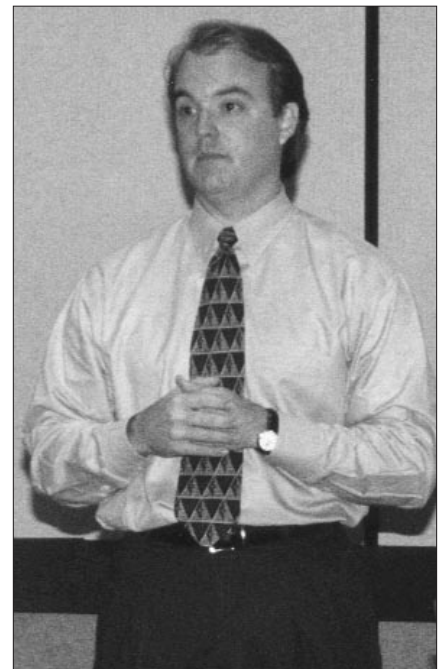


Declining market share since the early 1900s, increasing competition in the '60s and a minimal advertising budget led Cotton Inc. to seek strategic advertising partnerships, explained Ira Livingston.



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a specialty meat purveyor. The Bruss Co., in Chicago, Ill., custom-cuts steaks for its restaurant chain customers. Two other distributors, Newport Meat Co. in Irvine, Calif., and City Meats in Arizona and southern California, focus on meats in partnership with large, broadliner foodservice distributors, such as SYSCO and Alliant Food Service, respectively. (A broadliner supplies establishments with a



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full range of products from tablecloths to condiments to canned goods to meats to restaurant furniture.)

During the past year, 11 licensed foodservice distributors have been purchased or merged with a larger company. The broadliner food distribution companies are working with the specialty meat distributors to enhance their meat expertise. The CAB Program continues to

evaluate each market on a case-by-case basis and selects the distributorship that best meets the Program's foodservice guidelines. Often, the broadliner-specialty house partnership has been selected as a new distributor.

Record international attendees review products, services

A record number of licensees, more than 30, from outside the United States attended the conference and international sessions focusing on product information and Program services.

Martin Wolstencroft, Parkway Food Service, Clearwater, Fla., shared his restaurant customers' success stories with *Certified Angus Beef* value-added products. Also, in the area of value-added products, staff led group discussions of deli display guidelines and policies for prepackaged products.

The Program's announcement of the *Life Can't Have Too Much Flavor*™ brand-building campaign entering an international market in 2000 led discussions of international Program services. Staff also presented information about product availability, trademark compliance reporting and licensee promotional activities conducted throughout the year.



Program presents marketing awards

The CAB Program presented nine Marketer of the Year awards at the national conference, with three additional marketing awards recognizing licensees' efforts to merchandise heat-and-serve and other value-added products. The awards recognize licensees for aggressively marketing and creating brand awareness.

■ Marketer of the Year

Fabricator/Packer: IBP, Dakota City, Neb.
Exporter: IBP International, Dakota City, Neb.

International Distributor: Intercity Packers, Vancouver, British Columbia, Canada

International Restaurant: Rancho Steak House, Santo Domingo, Dominican Republic

International Retailer: Overwaita Food

Group, Langley, British Columbia, Canada

Retailer: Schnuck Markets, Saint Louis, Mo.

Foodservice Distributor: Dole & Bailey, Woburn, Mass.

Restaurant Chain: Marco's Mexican Restaurant, Houston, Texas

Restaurant: Dillon's Steakhouse, Louisville, Ky.

■ Value-added Products Marketer of the Year

Retail: King Soopers, Denver, Colo.

International: Longo's, Mississauga, Ontario, Canada

Foodservice: Parkway Food Service, Greensburg, Pa.



Integrity awards recognize licensee leaders

Four licensees (listed below) earned Commitment to Integrity awards for upholding *Certified Angus Beef* trademark integrity. These companies focused on employee training, solid promotions, careful licensee selection, maintaining account compliance and working closely with trademark compliance staff to earn these awards.

Fabricator: Excel Corp., Wichita, Kan.

Retailer: Publix Super Markets, Jacksonville, Fla.

International: Macgregors Meat & Seafood, Toronto, Ontario, Canada

Foodservice: Blue Ribbon Meats, Cleveland, Ohio

Additionally, the E.W. Albrecht Grocery Co. (also known as Acme), based in Akron, Ohio, earned the Commitment to Brand Excellence Award for its support of the CAB Program, particularly its one-day meat sales and beef roundup promotions. The 15-store chain also offers consumer cooking classes focused on promoting the *Certified Angus Beef* brand.

Sales volume awards presented

Licensees marketing the greatest volume of *Certified Angus Beef* product during the year earned top sales volume awards.

Fabricator: IBP, Dakota City, Neb.

Processor: Excel Specialty Products, Wichita, Kan.

CAB Program leadership transitions

Louis "Mick" Colvin, executive director of the Certified Angus Beef Program (CAB) since it began in 1978, retired Oct. 1.

"I'm the luckiest person in the world when I think that I've had two great families in my life — our own personal family and all of you. It's been a tremendous experience for me, and I can't put into words my feelings," Colvin shared at the Program's annual conference several weeks before his retirement.

Colvin is credited with being the driving force behind the CAB Program for the past 21 years, from the time when it was an idea shared by a group of Angus cattle producers to its current status as the largest branded-beef program in the world. Colvin's foresight and persistence helped revolutionize the beef industry from commodity beef to beef brands with consumer-oriented quality specifications.

A special advisor to the Program now that Jim Riemann has assumed the duties of executive director, Colvin told staff and assembled licensees, "You're in good hands, folks. I'm sure you'll be pleased with the leadership and vision you receive from the administrative team."

Exporter: IBP International, Dakota City, Neb.

International Distributor: Prima Meat Packers, Tokyo, Japan

Foodservice Distributor: Buckhead Beef Co., Atlanta, Ga.

Purchaser/Retail Distributor: Topco Associates, Skokie, Ill.

Retailer: Publix Super Markets, Jacksonville, Fla.

Retail Volume Per Store: Strack & Van Til Supermarket Co., Highland, Ind.

Retail Volume Increase: Shoprite Supermarket Co., Edison, N.J.

